



Llywodraeth Cymru
Welsh Government

Basic Payment Scheme (BPS) Loan

General Rules Booklet

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Introduction

A new loan facility to help farmers who may not receive their Basic Payment Scheme (BPS) 2018 payment when the payment window opens on 1 December 2018 has been announced by the Cabinet Secretary for Energy, Planning and Rural Affairs.

The BPS Loan application is available for customers whose claim will not be fully processed by the opening of the BPS payment window (1 December).

If you have submitted an application for BPS 2018 via the Single Application Form (SAF) 2018 we encourage you to consider applying for a loan.

This is an **opt in** scheme which means you need to apply for a loan by 30 November 2018 if you wish to receive a loan payment in the event your BPS 2018 claim has not been fully processed. There will be no further opportunity to apply for a BPS loan after the 30 November.

The BPS Loan

It is a nationally funded loan scheme. The terms and conditions under which this loan scheme is operated are contained in Annex A.

When will the loan be paid?

It is expected the loan payments will be made during the week starting 10 December 2018.

A timeline is at Annex B.

What is the value of the loan?

The loan value will be a maximum of 70% of your estimated 2018 BPS payment. The estimated payment will be based on the area declared for BPS on your SAF 2018 and the number of payment entitlements you held on 15 May 2018.

If you have opted for your BPS 2018 payment to be made in £ sterling, the exchange rate for calculating the loan payment will be the average rate for September 2018.

Who is eligible?

You can apply for a loan if:

- You have submitted a claim for BPS 2018 via the Single Application Form (SAF) 2018.
- You have not received payments that have exceeded the agricultural de minimis State Aid limit of €15000 in any fiscal year and in the previous two fiscal years combined. In Wales, no schemes have been operated under the agricultural State Aid, however you may have received such payments from other Paying Agencies.

RPW cannot pay loans if:

- You have an outstanding BPS 2017 claim, as we are unable to confirm if valid entitlements are available to you for the 2018 scheme year.
- You have Grant of Probate action outstanding, as we are unable to release payments until the estate is settled.

RPW reserves the right to not pay loans under certain circumstances, for example cases where significant errors have been found at inspection or administrative checks or any other cases identified by RPW.

Cross-border customers

If you are a cross border customer and your BPS 2018 claim will be paid by Rural Payments Wales (RPW), you can apply for a BPS loan using your RPW Online account.

The loan value of 70% will be paid based on your Welsh land only because RPW will not have the data available to take account of any land you have declared with a different Paying Agency.

If you are a cross border customer and your BPS 2018 claim will be paid by any other Paying Agency, RPW are unable to pay you a loan and you should contact the other Paying Agency for information about BPS 2018 payments.

How do I apply for a BPS loan?

You can only apply for a BPS loan by accessing Rural Payments Wales (RPW) Online.

The BPS Loan application is available on the “Home Page” or from the “Applications and Claims” section of your account.

If you have any questions about registering for RPW online or completing your BPS Loan application please contact the Customer Contact Centre on 0300 062 5004. They will be able to provide advice, including the digital assistance that is available to you.

Further details regarding Rural Payments Wales Online are available on the Welsh Government’s Website (www.wales.gov.uk/rpwonline).

How will the loan be paid?

All BPS loan payments will be made direct to your bank account. Please ensure your bank details held by Welsh Government are correct and up to date.

How will I be notified the loan has been paid?

Letters confirming payment of the loan or reasons why it has not been possible to pay the loan will be added to your RPW Online account.

The letter confirming the loan payment will only detail the amount of the loan payment being made. Full details of your 2018 BPS payment will be included in the BPS payment letter issued when full payment is made. In addition, a statement of interest will be issued for State Aid purposes shortly after your BPS 2018 payment has been made and your loan has been re-paid.

Will I be charged fees and interest?

Provided you adhere to the terms and conditions of this loan, you will not be charged interest. In these circumstances the interest will be paid by the Welsh Government and will be considered as a State Aid payment made to you.

How do I repay the loan?

The sum will be automatically deducted from your BPS 2018 payment when it is fully processed and you will receive any balance due.

In accordance with the terms and conditions, the Welsh Government may recover your loan from any CAP payments due to you. Examples of CAP payments are Glastir Entry, Glastir Advanced, Glastir Organic Scheme, Glastir Woodland Management. Should the final BPS payment not fully repay the loan, you will be required to repay the outstanding loan amount and interest will only be applied if that repayment is not made within 7 days of your BPS 2018 payment letter or the notification of the rejection of your BPS 2018 payment. If there are any CAP payments to be made after this date the BPS loan payment will be recovered from it.

If repayment of the outstanding loan amount is required you should forward your cheque made payable to the **WELSH GOVERNMENT AGRICULTURE** (we **CANNOT** accept cheques made out to Rural Payments Wales), to the Carmarthen Regional Office (details in Contacts section below). Alternatively, a BACS payment can be made to Account number 10003096, sort code 60-70-80 (GBP) or 550/00/85014648, sort code 60-70-80 (EURO). Please quote your Customer Reference Number as a reference when making payment.

If you do not repay the BPS loan in accordance with the terms and conditions at Annex A, you will be required to pay interest on the loan payment amount outstanding. The interest will be calculated from the date of payment of the loan.

Example

BPS loan value - £10,000 (paid 10 December 2018)

Total BPS payment - £7,000 (notification dated 1 March 2019)

Difference between BPS payment and loan value - £3,000

If the difference is repaid before 8 March 2019 you will not need to pay interest on the loan.

If the difference is not repaid before 8 March 2019:

- The Welsh Government will pay the interest on £7,000 (State Aid payment)
- You will need to pay the interest calculated on the £3,000 difference, the interest amount will be calculated on the £3,000 from the date the loan was paid (10 December 2018) until the date the £3,000 plus the interest is repaid.

What is the rate of interest?

The rate of interest is 3.20%

The interest rate applied has been calculated using the base rate for September and in accordance with European Commission guidance for calculating interest rates for State Aid.

Contacts

Farmer Enquiries – Customer Contact Centre

Your first point of contact for all telephone enquiries and email correspondence should be the Customer Contact Centre where staff are on hand to provide information and answer queries. The Customer Contact Centre is open between 08:30 and 17:00.

The contact details for the Customer Contact Centre are as follows:

Tel: 0300 062 5004

PO Box address: Rural Payments Wales, PO Box 1081, Cardiff, CF11 1SU

Regional and Area Offices

Offices at Aberystwyth, Caernarfon, Carmarthen and Llandrindod Wells will continue to be open for visitors between 09:00 and 16:30 Monday to Friday. Area offices are open less frequently to visitors and so farmers are advised to check our website or ring the Customer Contact Centre on 0300 062 5004 for opening hours.

Caernarfon Regional Office

Welsh Government
Victoria Dock
Gwynedd
Caernarfon LL55 1TH

Carmarthen Divisional Office
Government Buildings
Picton Terrace
Carmarthen SA31 3BT

Llandrindod Wells Divisional Office

Government Buildings
Spa Road East
Llandrindod Wells LD1 5HA

Rural Payments Wales
Welsh Government
West Core 4th Floor
Cathays Park
Cardiff CF10 3NQ

Aberystwyth Area Office

Welsh Government
Rhodfa Padarn
Llanbadarn Fawr
Aberystwyth
Ceredigion SY23 3UR

Newtown Area Office
Ladywell House
Park Street
Newtown SY16 1JB

Llandudno Junction Regional Office

Sarn Mynach
Llandudno Junction
Conwy LL31 9RZ

Access to Welsh Government offices for people with disabilities or special needs

If you have any special needs which you feel are not met by our facilities contact the Customer Contact Centre on 0300 062 5004. Welsh Government officials will then endeavour to make arrangements to accommodate your requirements.

Welsh Government Website

For all of the latest Agricultural and Rural Affairs information, visit the Welsh Government's website at www.gov.wales/agrischemes. By visiting the website, you can also sign up to receive the Rural Affairs e-newsletter which delivers the latest news directly to your e-mail inbox.

Gwlad

The Gwlad e-newsletter is the Welsh Government's magazine for farm and forestry businesses and all those involved with agriculture and rural Wales. It contains news stories, guidance and information in an accessible, easy-to-read format. To keep informed and up to date with all the latest agriculture news and developments in future we would encourage you to sign up to receive the Gwlad e-newsletter. You can do this either at www.gov.wales/news-alerts or at: www.gov.wales/gwlad

Annex A

BPS Loan Terms & Conditions

- i) The Sum is a loan and will attract interest at the rate of 3.20%. Repayment of the Sum is due on the earlier of (a) the seventh day following the date you are notified that your final BPS 2018 payment has been made or, as the case may be, you are notified that no BPS 2018 payment is due; or (b) 31 December 2019. This interest will be borne by the Welsh Ministers (hereafter the "Welsh Government") on your behalf and constitutes a State aid as described in paragraph (vii) below.
- ii) Interest on the Sum under paragraph (i) will be paid on your behalf by the Welsh Government if repayment is made in full on or before the due date set out above. If you retain the Sum, or any part of it, otherwise than in accordance with these terms you will be liable to pay the interest on the Sum in full.
- iii) In the event that the Sum, or any part of it, is not repaid on the due date mentioned above you will also be liable to pay interest on the Sum or any balance outstanding at the rate of 3.20% per annum until repayment is actually made.
- iv) We may at any time, and without further notice to you, off set any liability that you have to repay the Sum (together with any interest that may be due) against any liability that we may have to make any other payment to you however arising. Any exercise by us of the right under this clause shall be without prejudice to any other rights or remedies that we may have against you whether under this agreement or otherwise. For the avoidance of doubt, this right of off set may also be exercised by us against any liability that we may have to make a CAP payment to you.
- v) In the event that the full amount of the Sum is off set against a CAP payment due in relation to your current application no interest will be charged. If part of the Sum only is off set, interest on any outstanding balance will be due to be paid by you from the repayment date at the interest rate stated above.

vi) No waiver by us of any of the terms set out in this guidance or any of our rights or remedies will be effective unless given in writing and signed by us or on our behalf. No failure, forbearance or delay by us in enforcing any right that we may have against you will constitute a waiver of that or any other right or remedy nor will it preclude or restrict the further exercise of that right by us. No single or partial exercise of any right or remedy under this agreement or otherwise arising shall prevent any further exercise of the same right or remedy or of any other right or remedy however arising.

vii) Interest paid on your behalf by the Welsh Government represents State Aid to your farm business (under Regulation 'EU' 1408/2013). For every 12 months you hold on to the funds it will accrue £32.00 of State aid benefit for every £1000 of BPS Loan payment. It is your responsibility to keep a record of all aid to your farm business under all schemes and to make sure that the combined total aid is less than the de minimis level of €15,000 (euros) in any fiscal year and the previous two fiscal years combined. In accepting the Sum you are declaring this limit will not be breached.

viii) Your obligation to repay any monies due under this loan application and its terms rank equally with or senior to all other debts or liabilities you may have.

ix) The Welsh Government will be entitled to require immediate repayment of any monies due under this loan application and its terms if you have provided false or inaccurate information in relation to your BPS 2018 application or the BPS Loan application.

x) The Welsh Government will be entitled to require immediate repayment of any monies due under this loan application and its terms if you or your agricultural business becomes insolvent, or otherwise unable to pay its debts, is made bankrupt or otherwise dissolved

xi) The Welsh Government will be entitled to require immediate repayment of the Sum if it considers it is required to recover such sum in order to ensure compliance with its obligations under EU law, together with interest at such rate and on such basis as may be determined from time to time by the European Commission.

Annex B

BPS Loan Timeline

Early October 2018 – Online application window opens

Early November 2018 – Broadcast message to customers not yet ready for BPS 2018 payment

26th November 2018 – Broadcast message to customer not included in 1st BPS 2018 payment run

30th November 2018 – Online application window closes

w/c 10th December 2018 – BPS Loans paid

Check your RPW online account for the payment notification.